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ABSTRACT

A survey by the Los Angeles Times indicated that only 18% of the 64% of the Californians who voted for Proposition 13 did so with the hope that expenditures for education would be reduced. However, because financial support for both kindergarten through twelfth grades and community colleges have come largely from local sources, these two segments of education were hit hard by the limitation of local revenue; harder than were the University of California State Universities and Colleges. Effects of Proposition 13 have been both positive and negative. Cutbacks necessitated administrative reorganization which has improved efficiency and effectiveness. On the other hand, enrollments for fall 1978 declined by about 6%, many programs were cut, and almost 5,000 instructors lost their jobs. One alternative is tuition, but the question arises as to which segments of the student population this would affect most in terms of continued enrollment. California public education must focus on long-range rather than short-term policies and come to grips with important issues of governance, financing, and program offerings. Problems will be greater in 1979-80 when colleges attempt to operate under another emergency bill funded from surplus state revenues. Unless the legislature is more generous, it is questionable whether or not all colleges can remain as "people's colleges" with a comprehensive mission. (MB)

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IS THIRTEEN A LUCKY NUMBER?:

FINANCE AND CONTROL OF CALIFORNIA COMMUNITY COLLEGES

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It is not at all clear that passage of Proposition 13 was a mandate to cut back on public education. Opinions vary on that issue. Some hold that the vote limiting property tax was directed mostly at the dysfunctions of bureaucracy--at the "mindless" growth of administrative structures, the seeming loss of purpose, and the apparent insensitivity to initial goals. Others hold that it was directed at the irresponsibility of elected officials who permitted the accumulation of a large surplus in the State treasury from graduated-income taxes swollen by salary adjustments to the rising cost of living. Still others hold that it was a reaction to the fact that local property tax rates remained unchanged despite rising assessed real-estate values that were growing disproportionately to living costs and income adjustments. Perhaps it was all of these things.

A survey by the Los Angeles Times indicates that only 18% of the 64% of the people who voted for Proposition 13 did so with the hope that expenditures for education would be reduced. That is to say, between two-thirds and three-fourths of those who voted in favor of the amendment were supportive of current funding for education. If we are to trust this poll, and its results are consistent with other national polls showing that schools are continually supported, the ironic implications of Proposition 13 become clear: one of the most valued public services (education) is supported by one of the most objectional taxes (local property tax). Because financial support for both Kindergarten through twelfth grades and Community Colleges have come largely from local sources, these two segments of education were much harder hit by the limitation of local tax revenue than were other segments such as the University of California and the California State

University and Colleges.

I would like to address specifically the effect of Proposition 13 on California Community Colleges. It has often been stated that these colleges are unique. This is not merely a slogan; it is, in fact, true that compared to the missions and functions of other educational institutions and compared to one another Community Colleges are quite varied. The reason for this is that Community Colleges are "People's Colleges." They are multi-functional institutions providing an array of educational programs for adults. None of their students are compelled to attend; they do so because of some special interest in one or several of the program offerings. Consequently, each college attempts to provide those programs that its local population desires. Since communities differ, the colleges differ.

It is estimated that 1.3 million Californians, or one out of every six adults, are enrolled in Community Colleges at any one time. Seventy percent of these are in occupationally-related courses; most are part-time students. Higher education accounts for another large proportion of students. It is estimated that of California high school graduates who continue on to higher education, 75% attend community colleges. This is the traditional junior college function that was specified in the California Master Plan for Higher Education. Many of these students receiving lower-division education are from low-income and often ethnic- and racial-minority families. Beyond the occupational education and the lower-division education, there are students attending community service courses. These include not only instruction for hobbies and other leisure-time activities, but course designed to provide general liberalizing education to bring relief to people engaged in narrowly specialized occupations, and to help people understand the complexities of post-industrial society. The emergent quality of Community Colleges, their

numerous functions, and the disparities among them make them difficult to understand and even more difficult to administer.

That Community Colleges are "messy" administratively has long been a concern of California Department of Finance and certain legislators who champion efficient management. They find the comprehensive mission of Community Colleges cumbersome and sometimes difficult to comprehend. Between the Department of Finance and the State Legislature, on the one hand, and the locally elected Board of Trustees, on the other, is the California State Board of Governors on which I sit. The task of this Board over the past year has been largely that of a broker--trying to explain to state and local segments the views of the other and attempting to protect the best of the Community Colleges' programs while looking out for state interests. This will probably be its primary task for the foreseeable future.

We are now in the middle of the first year following passage of Proposition 13. It was a difficult year. Aside from decreased financial support, there were many uncertainties about when and the amount of state aid that would come and the kinds of state mandates that districts would have to follow. The districts were unable to plan and many mistakes were made. For example, only ten districts were willing to operate summer school as planned; fifteen cancelled it totally for fear they might run out of funds and be unable to offer their programs in the fall and spring.

The budget for all California Community Colleges totaled about $1.2 million in 1977-78, of which half was from local revenue, 42% from the state, and 8% from the federal government. The state legislature voted in July to guarantee to local districts sufficient funds to bring them on average to 85% of their current target budgets. This meant that some districts would

lose few or little resources, and others would lose much more. However, many districts fared better than expected since property-tax loss had apparently been over-estimated.

The State Chancellor's office of the Community Colleges is trying to find out the impact reduced resources have had on the colleges throughout the state. Consistent with the theme "messy" to administer, the data are slow in coming and they tell that the impact is varied. One dramatic consequence was the termination of many part-time nontenured instructors--conservatively estimated at 5,000. Another was the cancellation or reduction of summer school. In addition, support services such as counselling, secretarial and custodial have been sharply curtailed. Some districts have reduced non-essential student programs such as school newspapers, child care, and athletics. Also, there have been hiring freezes, increased teaching loads, and larger class sizes. There has also been some stream-lining of administrative structures; and many administrators have taken 5% salary cuts--voluntarily! There has been some reduction in duplication of services. Finally, there has been a cutback in efforts to recruit students.

A possible consequence of the move toward economy is shifting some expenses from the general public to the student. The beginnings of this occured this year when a number of districts initiated fees for the use of facilities such as parking and health--the most common--and for athletic privileges and material and laboratory fees. A few districts instituted registration fees and many are attempting to put community service programs, that is, noncredit and nonoccupational recreational courses on a self-supporting basis. The difficulty with this policy is that what is hobby development for some is vocational training for others. Sewing, carpentry, cooking and landscaping may offer a means to a livelihood for some students and life

enrichment to others. If we cannot fund the education for all, where do we draw the line?

Data on the effects of reduced financial resources are trickling in from the districts. While it is early for a definitive evaluation, it appears that administrative reorganization and reduction in administrative positions are, in the main, to the good; whereas reduction in services to students and the imposition of fees are not. One of the greatest concerns is that cutbacks on programs can lead Community Colleges into a spiral of decline. Reductions in summer school, in outreach programs, in recruitment and counselling, as well as imposition of fees lead to a reduction in the number of students who enter colleges. In turn, this leads to further curtailment of programs and services. And although these cuts do reduce expenditures, they can also destroy Community Colleges.

Enrollments in California Community Colleges have declined about 6% this fall. When one looks at which students are lost, it becomes clear that they are from subgroups that have been under-represented traditionally in postsecondary institutions, with the exception of the Community Colleges. Reductions seem to have negative impact on those who have had least education and those who are in the most need of it.

California Community Colleges have been agressive in their recruitment of students, especially students with poor academic preparation, physical and learning disadvantages, low incomes, and from ethnic and racial minority groups, and women. This practice has drawn criticism--it is a way of adding bodies in order to get greater state funding. Admittedly, aggressive recruitment has been abused. But the other side of the argument is that Community College personnel have confidence in their produce and attempt to sell it to

those who have given up on schooling as a way out of poverty and hum-drum dreary lives. First chance education often requires a little selling. Tuition and cutbacks on support services can be severe obstacles to Community College educational opportunity.

An alternative sometimes suggested is across the board fees or tuition. Those who can, pay part of the cost of their education, and those who cannot, receive grants and loans. If that is the only way to provide public education it must be considered seriously. But first, schools such as the University of California must institute tuition since elite public education has been supported traditionally by all of the peoplewhile servicing the children from higher-income families disproportionately. If tuition for Community Colleges becomes necessary, it might be wise to differentiate among students so that not only those with limited-ability do not pay but also those for whom postsecondary education is a new experience might be singled out for education without tuition; those for whom it is a second or subsequent experience might pay a higher share of the cost. However, this leads to some unpalatable consequences. For example, we surely would not want to charge retired-elderly people on inflation-damaged pensions for the formal education they have time to consume at last! Nevertheless, it has been estimated that if every full-time equivalent student in the Community Colleges pays $200 per semester, revenue from local tax loss would be recovered.

In the spring of 1979 the California legislature will deal again with the question of what to do about funding local education. It is anticipated that they will have a sizable surplus and repeat in large measure the "bail out" bill of last summer. To help them, the Chancellor's Office and the Board of Governors are suggesting legislation. Although nothing has been approved

officially, it can be anticipated that the Board will request about 18% more money than last to cover inflationary costs, salary adjustments, and efforts to recover lost enrollment.

After this year, California public education must get on a more predictable footing. There must be long-range rather than short-term policy which comes to grips with important issues of governance, financing and program offerings.

However, agreement on long-range policy is difficult to establish. How does one get consensus among such varied Community College districts, among such varied professional and special interest groups, among local trustees and state governors with their different personalities and philosophies? These people are operating under a consensual pluralistic model at the present time in which all segments are in surprising agreements with short-term proposals. This is because each basically likes the Community Colleges as they now operate and is willing to forego special interests so that the remain in tact, if even at a reduced level.

But long-range solutions to issues raised by Proposition 13 entail change and interests of some of the segments will be sacrificed. One might anticipate that those who disagree with long-term proposals for change that are ultimately fashioned will pull out of the consensual group and go directly to sympathetic legislators for redress. This has been the pattern in the recent past; so much so that the California legislature has jocularly been called "the largest school board in the world." This raises the question of whether or not the legislature can ever accept proposals for change that eminate from the Community College establishment through the Board of Governors if there is organized opposition. It is important that they do, for changes in Community College governance and programs must be carefully fashioned if they are to preserve the uniqueness of these institutions. The political

arena of the state legislature ought not substitute for the deliberations of those who are more intimately involved.

What might future Community College governance look like? It has been a truism that control follows the dollar. That is to say, the agency providing the money has always expected to influence how the money is spent. Since there is much discussion of full-state assumption of the cost of Community College programs that grant credit, there is also discussion about fuller state control. This might imply that the state Board of Governors becomes a super state board which administers restrictive rather than permissive state legislation. While such a model migh have advantages from a state administrative perspective, if the heterogeneity of the Colleges is to be preserved, it would be quite dysfurctional.

There are more cheerful alternatives to the model of tight state control that suggest that he who pays the piper need not choose the tune. Still assuming full-state financing, the California legislature could adopt a revenue-sharing model such as that used by the federal government and return funds to local districts in the form of block grants. This model has worked well in Great Britain's schools which are centrally financed and a locally controlled. Or some monies could be in the form of block grants and other monies for programs in which the state has strong interest could be give as categorical aid. Such programs migh include affirmative action, education for handicapped students, extended opportunity programs, bilingual education, and so on.

If full-state assumption is not warranted, the question of governance is simplified. The more revenue generated at the local level, the more discretion is retained by local boards. There is some talk that kindergarten through twelve might be funded fully from state sources, which would leave additional

local revenues for local Community College districts to distribute. Long-range policy for Community Colleges is yet undetermined, but the argument to retain sufficient local sources of revenue to guarantee local responsiveness to local adults is compelling.

There are different principles governing the relationship between financing and policy making. Some contend that decisions should be made at the governmental level that finances the activity and is responsible for it. Others contend that decisions should be made at the level closest to the activity. And there are those who believe that decisions should be made by people who have most knowledge about them. This suggests some kind of partnership between local and state policy levels, regardless of the level that allocates the money.

To sum up: Community Colleges seem to have fared better than expected following Proposition 13. Some mistakes were made, some valuable people were lost to the system, many services and programs were cut, and enrollments went down. Nevertheless, all 104 colleges were able to keep their doors open and offer satisfactory education to a goodly portion of their students. In addition, some administrative reorganization took place and colleges seem to be operating more effectively because of it.

The problems will be greater next year when colleges attempt to operate under another emergency bill funded from surplus state revenues. Unless the legislature is more generous for 1979-80 it is questionable whether or not all colleges can remain as "people's colleges" with a comprehensive mission. Survival this year was due in part to the capital Colleges had built up, both financial and in good will. But this capital is rapidly being depleted and needs to be replenished. Neither this year's nor next year's legislation

addresses the long-range policy decisions that must be reached about California public education. We should start thinking about what we want all of California schools to be like in the next decade; get to work on constructing wise and workable plans; then convince the California electorate of their wisdom.

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